

The Latin American Studies Book Series

Series editors

Eustógio Wanderley Correia Dantas, Departamento de Geografia, Centro de Ciências, Universidade Federal do Ceará, Fortaleza, Ceará, Brazil

Jorge Rabassa, Lab Geomorfología y Cuaternar, CADIC-CONICET, Ushuaia, Tierra de Fuego, Argentina

Andrew Sluyter, Louisiana State University, Conference of Latin Americanist Geographers, Baton Rouge, LA, USA

The Latin American Studies Book Series promotes quality scientific research focusing on Latin American countries. The series accepts disciplinary and interdisciplinary titles related to geographical, environmental, cultural, economic, political and urban research dedicated to Latin America. The series publishes comprehensive monographs, edited volumes and textbooks refereed by a region or country expert specialized in Latin American studies.

The series aims to raise the profile of Latin American studies, showcasing important works developed focusing on the region. It is aimed at researchers, students, and everyone interested in Latin American topics.

Submit a proposal: Proposals for the series will be considered by the Series Advisory Board. A book proposal form can be obtained from the Publisher, Juliana Pitanguy (juliana.pitanguy@springer.com).

More information about this series at <http://www.springer.com/series/15104>

Ezequiel Luis Bistoletti

The Power Struggles over the Post-neoliberal Social Security System Reforms in Venezuela and Ecuador

 Springer

Ezequiel Luis Bistoletti
Berlin, Germany

Dissertation: University of Kassel Faculty of Social Sciences

Disputation: 14 December 2016

ISSN 2366-3421 ISSN 2366-343X (electronic)
The Latin American Studies Book Series
ISBN 978-3-319-98167-3 ISBN 978-3-319-98168-0 (eBook)
<https://doi.org/10.1007/978-3-319-98168-0>

Library of Congress Control Number: 2018950780

© Springer Nature Switzerland AG 2019

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Springer imprint is published by the registered company Springer Nature Switzerland AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Acknowledgements

This research could not have been carried out without the enormous help of my family, my friends and my colleagues. My special thanks to: Roxana Edit Velázquez, Luis Carlos Bistoletti, Anna Jahnke, Darío Maldonado, Francisco González, Alejandra Espinosa, René Behm, Friedrich Bossert, Jenny Jungehülsing, Sebastian Matthes, Paul Hecker, Philip Fehling, Nico Weinmann, Jenny Simon, Timm Schützhofer, Céleo Arias, Matthias Ebenau, Sarah Hackfort, Alke Jens, Shuwen Bian, Elaine Hui, Ahmed Kamel, Anne Tittor, Zeljko Crcic, Christian Möllmann, Christoph Scherrer, Elisabeth Tuidier, and Hans-Jürgen Burchardt. My sincere gratitude to my sponsors: the Heinrich-Böll-Stiftung and the STIBET program.

Contents

1	Introduction	1
1.1	Research Structure	5
	References	6
2	Theoretical and Methodological Approaches	9
2.1	Conceptual Definitions: Social Policy, Social Protection, Social Security, and Informal Labor.	10
2.2	Theoretical Approaches in Social Policy Research	12
2.2.1	Democratic Approaches	13
2.2.2	Structural Approaches	15
2.2.3	Political Class Struggle Approaches	21
2.3	Reconceptualization of Social Policy in the Latin American Academia.	27
2.4	Taking In the Good and Leaving Out the Bad: The Complementary Approach.	29
2.4.1	Contextualization Based on the Poulantzian Approach	30
2.4.2	Operationalization Based on Political Class Struggle Approaches	33
2.5	Methodological Definitions	40
2.6	Research Cases Selection	43
2.7	Data Collection	44
2.8	Summary	45
	References	47
3	Analysis of the Power Struggles over the Post-neoliberal Social Security System Reform in Venezuela.	55
3.1	Contextualization of the Power Struggles over the Post-neoliberal Social Security System Reform	55
3.1.1	The History of Social Security in Venezuela	56
3.1.2	The Privatization of the Social Security System.	57

3.1.3	The Subject of Social Security in the Electoral Campaign of Hugo Chávez for the Presidential Election of 1998	59
3.1.4	The Struggles over the Formulation and Passing of the Decree-Laws Suspending the Implementation of the LOSSSI	61
3.1.5	The Struggles over the Formulation and Passing of the Constitutional Articles Concerning Social Security	64
3.1.6	The Struggles over the Formulation and Passing of the LOSSSV	69
3.1.7	The (Non-)Implementation of the LOSSSV	88
3.2	Operationalization of the Power Struggles over the Post-neoliberal Social Security System Reform	97
3.2.1	Operationalization of the “Where” Question	98
3.2.2	Operationalization of the “What” Question	106
3.2.3	Operationalization of the “Who” Question	114
3.2.4	Operationalization of the “How” Question	126
3.3	Summary	147
	References	154
4	Analysis of the Power Struggles over the Post-neoliberal Social Security System Reform in Ecuador	159
4.1	Contextualization of the Power Struggles over the Post-neoliberal Social Security System Reform	159
4.1.1	The History of Social Security in Ecuador	160
4.1.2	The Privatization of the Social Security System	162
4.1.3	The Subject of Social Security in the Electoral Campaign of Rafael Correa for the Presidential Election of 2006	166
4.1.4	The Struggles over the Formulation and Passing of the Constitutional Articles Concerning Social Security	168
4.1.5	The Struggles over the Formulation and Passing of the LRLSS 2009 and the LRLSS 2010	178
4.1.6	The Struggles over the Formulation of the LOSSSE and the Sanction of the LRLSS 2014 and the LOJL	185
4.2	Operationalization of the Power Struggles over the Post-neoliberal Social Security System Reform	193
4.2.1	Operationalization of the “Where” Question	194
4.2.2	Operationalization of the “What” Question	204
4.2.3	Operationalization of the “Who” Question	207
4.2.4	Operationalization of the “How” Question	219
4.3	Summary	237
	References	244

5 Comparative Analysis of the Power Struggles over the Post-neoliberal Social Security System Reforms in Venezuela and Ecuador 249

5.1 Comparative Analysis Regarding the “Where” Question 249

5.2 Comparative Analysis Regarding the “What” Question 250

5.3 Comparative Analysis Regarding the “Who” Question 252

5.4 Comparative Analysis Regarding the “How” Question 255

5.5 Conclusions 257

5.6 Prospects of the Complementary Approach for the Analysis of Social Policy in Latin America and the Global South 266

Reference 267

Notes 269

References 275

Abbreviations

ABB	Agenda alternativa bolivariana: una propuesta patriótica para salir del laberinto
ACHPE	Asociación Nacional de Clínicas y Hospitales Privados del Ecuador
AD	Acción Democrática
AFP	Administradora de Fondos de Pensiones
ANL	Asamblea Nacional Legislativa
AP	Alianza PAIS
APAFP	Asociación de Promotores de Administradoras de Fondos de Pensiones
ASI	Alianza Sindical Independiente
AV	Avanza
BANAVIH	Banco Nacional de Vivienda y Hábitat
BCE	Banco Central del Ecuador
BCV	Banco Central de Venezuela
BIESS	Banco del Instituto Ecuatoriano de Seguridad Social
CCANC	Comisión Constitucional de la Asamblea Nacional Constituyente
CDS	Comisión de Derechos Sociales y de la Familia
CDTSS	Comisión de los Derechos de los Trabajadores y Seguridad Social
CEAP	Comisión de Estudios de Postgrado de la Facultad de Ciencias Económicas y Sociales de la Universidad Central de Venezuela
CIRLSS	Comisión Interinstitucional para la Reforma de la Ley de Seguridad Social
CJE	Confederación de Jubilados del Ecuador
CMDMC	Colegio de Médicos del Distrito Metropolitano de Caracas
CNE	Consejo Nacional Electoral
CODESA	Confederación de Sindicatos Autónomos de Venezuela

CONAIE	Confederación de Nacionalidades Indígenas del Ecuador
CONAM	Comisión Nacional de Modernización del Estado
CONAPRI	Consejo Nacional de Promoción de Inversiones
CONESUP	Consejo Nacional de Enseñanza Superior
CONINDUSTRIA	Confederación Venezolana de Industriales
CONSECOMERCIO	Consejo Nacional del Comercio y los Servicios
COPEI	Comité de Organización Política Electoral Independiente
CPDSI	Comisión Permanente de Desarrollo Social Integral
CPF	Comisión Permanente de Finanzas
CPSS	Comisión presidencial para la Elaboración del Proyecto de Ley Orgánica de Seguridad Social
CTV	Confederación de Trabajadores de Venezuela
CUTV	Central Unitaria de Trabajadores de Venezuela
EOSSO	Estatuto Orgánico del Seguro Social Obligatorio
FAPUV	Federación de Asociaciones de Profesores Universitarios de Venezuela
FBT	Fuerza Bolivariana de Trabajadores
FCME	Fondo de Cesantía del Magisterio
FEDECAMARAS	Federación de Cámaras y Asociaciones de Comercio y Producción de Venezuela
FEDEINDUSTRIA	Federación de Industriales, Pequeños, Medianos y Artesanos
FENACLE	Federación Nacional de Trabajadores Agroindustriales, Campesinos e Indígenas Libres del Ecuador
FEUNASSC	Federación Única Nacional de Afiliados al Seguro Social Campesino
FMV	Federación Médica Venezolana
FONDEN	Fondo de Desarrollo Nacional
FUTPV	Federación Unitaria de Trabajadores del Petróleo, del Gas, sus Similares y Derivados de Venezuela
G.O.	Gaceta Oficial de la República Bolivariana de Venezuela
G.O.E:	Gaceta Oficial Extraordinaria de la República Bolivariana de Venezuela
GV	“Gran Viraje”
IESS	Instituto Ecuatoriano de Seguridad Social
ILO	International Labour Organization
IMF	International Monetary Fund
INECE	Instituto Nacional de Estadística y Censos del Ecuador
INEV	Instituto Nacional de Estadística de Venezuela
ISSFA	Instituto de Seguridad Social de las Fuerzas Armadas
ISSPOL	Instituto de Seguridad Social de la Policía Nacional
IVSS	Instituto Venezolano de los Seguros Sociales
LOC	Ley Orgánica de Comunicación
LOE	Ley Orgánica Electoral

LOJL	Ley Orgánica para la Justicia Laboral y Reconocimiento del Trabajo en el Hogar
LOPCYMAT	Ley Orgánica de Prevención, Condiciones y Medio Ambiente de Trabajo
LOSP	Ley Orgánica del Servicio Público
LOSSSE	Ley Orgánica del Sistema de Seguridad Social (Ecuador)
LOSSSI	Ley Orgánica del Sistema de Seguridad Social Integral
LOSSSV	Ley Orgánica del Sistema de Seguridad Social (Venezuela)
LPPRPM	Ley de Partidos Políticos, Reuniones Públicas y Manifestaciones
LRLSS 2009	Ley Reformatoria a la Ley de Seguridad Social, a la Ley de Seguridad Social de las Fuerzas Armadas y a la Ley de Seguridad Social de la Policía Nacional
LRLSS 2010	Ley Reformatoria a la Ley de Seguridad Social
LRLSS 2014	Ley del Banco del Instituto Ecuatoriano de Seguridad Social para la Administración de los Fondos Complementarios Previsionales Cerrados
LRPE	Ley del Régimen Prestacional de Empleo
LRPVH	Ley del Régimen Prestacional de Vivienda y Hábitat
LSSE	Ley de Seguridad Social
LSSO	Ley del Seguro Social Obligatorio
LSSV	Ley de Servicios Sociales
MFY	Movimiento Futuro Ya
MIR	Movimiento de Izquierda Revolucionaria
MPD	Movimiento Popular Democrático
MPPEF	Ministerio del Poder Popular de Economía y Finanzas
MUPP	Movimiento de Unidad Plurinacional Pachakutik
MVR	Movimiento V República
OAEF	Oficina de Asesoría Económica y Financiera
OPS	Organización Promotora de Salud
PDVSA	Petróleos de Venezuela
PEP	Plan de Enfrentamiento a la Pobreza
PGMP	Plan de Gobierno del Movimiento PAIS 2007-2011
PJ	Primero Justicia
PP	Polo Patriótico
PPT	Patria para Todos
PRIAN	Partido Renovador Institucional de Acción Nacional
PSC	Partido Social Cristiano
PSP	Partido Sociedad Patriótica
RED	Red Ética y Democracia
REDIUP	Coordinadora de Redes por una Seguridad Social Pública y Solidaria
RSSS	Rectoría del Sistema de Seguridad Social
SENPLADES	Secretaría Nacional de Planificación y Desarrollo

SINDUOIESS	Sindicato Nacional Único de Obreros del Instituto Ecuatoriano de Seguridad Social
SNVH	Sistema Nacional de Vivienda y Hábitat
SSC	Seguro Social Campesino
SSS	Sistema de Seguridad Social
SSSS	Superintendencia del Sistema de Seguridad Social
SUO	Seguro Universal Obligatorio
TSJ	Tribunal Supremo de Justicia
TSSS	Tesorería del Sistema de Seguridad Social
UCAE	Unión de Organizaciones Campesinas del Ecuador
UN	United Nations
UNAPETROL	Unión Nacional de Trabajadores Petroleros
UNE	Unión Nacional de Educadores
UNO	Una Nueva Opción
WB	World Bank

List of Tables

Table 1.1	Average public social expenditure of the left-wing governments	2
Table 2.1	Social actors involved in the struggles over the social security system reforms in Venezuela and Ecuador	38
Table 2.2	Power resources	41
Table 3.1	Public expenditure	93
Table 3.2	Poverty and inequality	93
Table 3.3	Exports of goods and services	99
Table 3.4	Oil production and oil prices	101
Table 3.5	Fiscal revenue	102
Table 3.6	Public and private oil production share	103
Table 3.7	Labor force.	106
Table 3.8	Labor situation	107
Table 3.9	Informal labor	107
Table 3.10	Structure of the government cabinet.	128
Table 3.11	Nationalized and renationalized companies	130
Table 3.12	Legislative electoral results.	131
Table 3.13	Labor confederations in 2001.	132
Table 3.14	Union members under collective bargaining in 2004	132
Table 3.15	Union density.	133
Table 3.16	Composition of the legislative power	135
Table 3.17	Composition of the government cabinet.	136
Table 3.18	Progression of public protests.	140
Table 3.19	Public mobilizations of national scope	142
Table 3.20	National TV networks	146
Table 3.21	Position of the contending actors regarding the social security system reform prescribed by the LOSSSV	150
Table 4.1	Fiscal revenue	181
Table 4.2	Central government expenditure.	182
Table 4.3	Poverty and inequality	182
Table 4.4	Contributions to the RE, RSSMF, and RSSNPF	188

Table 4.5	Contributions to the NCS, RSEWWPSI, RUH, and REDA	190
Table 4.6	Exports of goods and services	195
Table 4.7	Oil production and oil prices	196
Table 4.8	Fiscal oil revenue	197
Table 4.9	Oil legislation	198
Table 4.10	Public and private oil production share	199
Table 4.11	Labor force	201
Table 4.12	Labor situation	202
Table 4.13	Informal labor	203
Table 4.14	Structure of the government cabinet	220
Table 4.15	Endorsements and active members of the national political parties	222
Table 4.16	Union density	223
Table 4.17	Members and regional organizations of the national indigenous organizations	224
Table 4.18	Members of the police and military forces	224
Table 4.19	Composition of the legislative power	226
Table 4.20	Results of the voting on the legislation regarding the social security system reform	227
Table 4.21	Position of the political parties in the voting on the legislation regarding the social security system reform	229
Table 4.22	Composition of the government cabinet	230
Table 4.23	Public mobilizations of national scope	234
Table 4.24	National TV networks	235
Table 4.25	National newspapers	236
Table 4.26	Position of the contending actors regarding the social security system reform proposed by the government	239
Table 5.1	Comparative analysis results	258

Prologue

During the first decade of the twenty-first century, Latin America came under a “pink tide”, as left-wing governments took over power in most countries. Far from a circumstantial streak, this “pink tide” carried over for around 15 years, until a resurrection of the right broke out in the region by the end of 2015. Thereafter, in only 6 months, right-wing political forces took over power in Argentina (November 2015) and Brazil (May 2016),¹ and brought about victories in the parliamentary elections in Venezuela (December 2015) and in the constitutional referendum in Bolivia (February 2016).

Based on these recent events, numerous political analysts have promptly predicated the “end of the cycle” of the left-wing governments in Latin America and the beginning of a right-oriented political cycle in the region. However, this conclusion comes across as hasty because of two reasons. First, left-wing governments carry through to the present in Bolivia, Uruguay, and Venezuela (despite the crisis in the latter). Besides, the new right-wing governments have come under severe difficulties since their accession to power, as the current political crisis in Brazil and the frustrating economic results in Argentina bring out.

In truth, the present political situation in Latin America should not be characterized as the end of the cycle of the left-wing governments but rather as a “hegemonic tie”,² in which left and right political forces can hold back the imposition of each other’s political projects, while at the same time they cannot carry through their own.

¹Even though the right-wing governments in Argentina and Brazil correspond to each other in political, economic, and ideological terms, they must certainly be differentiated with regard to their coming. In the case of Argentina, the government of President Mauricio Macri took over power through a free and fair democratic election, whereas in the case of Brasil, the government of Michel Temer took over power through a parliamentary coup.

²Based on the Gramscian concept of hegemony, the notion of “hegemonic tie” was brought out by Portantiero in the early 1970s (Portantiero 1973), in order to conceptualize the political situation in Argentina between 1995 and 1973.

This hegemonic tie materializes in very different ways depending on the country at issue. Venezuela, Ecuador, and Argentina represent three very good examples of this enormous divergence. In the case of Venezuela, the hegemonic tie currently comes out as a “tragic tie”, in which both poles violently contravene each other in no holds barred struggle. In the case of Ecuador, the hegemonic tie materializes as the political confrontation between incumbent President Lenín Moreno and former President Rafael Correa. In the case of Argentina, the hegemonic tie comes about as the massive social protests against the neoliberal policies promoted by the right-wing government.

What factors have brought about these differences? Why does this hegemonic tie materialize in Venezuela, Ecuador, and Argentina—and in all other countries associated with the pink tide—so differently?

To some extent, the different form assumed by the hegemonic tie in each country can be made out as the result of its specific historical, economic, and cultural context. To a much larger extent, however, this divergence is associated with the very different performances achieved by the left-wing governments during their administrations. And in this regard, despite the overwhelming generalizations of both left- and right-leaning political analysts, the experiences of the left-wing governments in Latin America have divaricated enormously.

This research represents a modest contribution to the comparative study of the Latin American left-wing governments and, more specifically, to the study of the Venezuelan and Ecuadorian left-wing governments. It breaks down the reforms of the social security systems in Venezuela and Ecuador under the left-wing governments of Hugo Chávez and Rafael Correa. Almost identical in their conceptions, these reforms undertook to establish universal social security systems in both countries for the first time in history, but they came out with very different results. In the case of Venezuela, the implementation of the reform sanctioned by Chávez’ government in 2002 has broken down to this day, whereas in the case of Ecuador, the reform announced by Correa’s in 2007 has come along despite manifold obstacles. What factors have determined this contrasting outcome? In order to puzzle out this question, this investigation carries out a comparative analysis of the power struggles over the reforms in both countries.

The focus on the reforms of the social security systems does not come about by chance. As explained in detail below, the expansion of social policy represents one of the most distinctive features of the Latin American left-wing governments. Moreover, social policy is inherently associated with the construction of their political bases. Besides, both in Venezuela and Ecuador the conception, sanction and (non)implementation of these reforms came about in the context of ferocious struggles for hegemony between the government and the opposition. For this reason, the analysis of the reforms is carried out from the perspective of the power struggles, falling back upon a groundbreaking theoretical approach which comingles the Gramscian concept of hegemony as developed by Poulantzas with the concept of power resources as developed by Esping-Andersen.

The results of this research, which materialized over several years and presupposed many months of fieldwork in both countries, not only represent a contribution to puzzle out the similarities and differences between the Venezuelan and Ecuadorian left-wing governments, but they also bring about several hints to make out the current political situation in Venezuela, Ecuador, and throughout Latin America.

Reference

Portantiero JC (1977) Economía y política en la crisis argentina: 1958–1973. *Rev Mex Sociol* 39 (2) (Universidad Nacional Autónoma de México, México)